

# Can Venezuela Reopen for Business? Legal Shifts and Investment Signals to Watch

February 5, 2026 Edward Lebow, Jesse Cardinal, Sergio Guerrero

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## Key Takeaways

- Venezuela is showing early signs of economic liberalization, particularly in the oil and mining sectors, presenting unique—but still high-risk—investment opportunities.
- Recent Venezuelan legislation could significantly loosen state control in oil production, with private companies gaining more autonomy and legal protections.
- The U.S. sanctions regime related to Venezuelan oil has changed, permitting previously prohibited transactions related to the export and re-export of Venezuelan oil, subject to certain conditions and making the United States the legal jurisdiction for dispute resolution.
- The US sanctions unrelated to oil—including telecommunications and mining—remain in place, but may evolve with the political conditions, providing for increased opportunities for U.S. private sector engagement
- Non-oil sectors such as real estate, banking, electric power, infrastructure and logistics could become increasingly attractive, especially for investors with ties to Venezuela or high risk tolerance.

With the removal of Maduro and some signs of cooperation from the government of Delcy Rodríguez, the U.S. has made clear that it would like to see a restoration of Venezuelan oil exports under U.S. control and with revenues directed to the United States.<sup>1</sup>

*On Jan. 29, 2026, the U.S. Department of Treasury’s Office of Foreign Assets Control (“OFAC”) issued General License No. 46 (“GL 46”)<sup>2</sup>, which authorizes transactions related to the export and re-export of Venezuelan oil previously prohibited by the U.S. Venezuelan Sanctions.*

For many years, Venezuela has proved challenging for foreign investment, with the government’s firm control of the country’s most significant export—oil—dating back to the creation of *Petróleos de Venezuela, SA (“PDVSA”)* in 1976. A brief period of liberalization followed the creation of PDVSA, but once the Chavez regime came to power in 1999, state control was extended beyond petroleum to the electric power, telecommunications, and extraction sectors of the economy. After losing a number of lawsuits brought by foreign investors, Venezuela responded, in part, when it terminated several state-to-state bilateral investment treaties and eventually, in 2012, exited from the International Centre for the Settlement of Investment Disputes (“ICSID”) Convention.<sup>3</sup>

## U.S. Sanctions on Venezuela

In March 2013, Nicolas Maduro came to power after the death of Hugo Chavez, and in 2014, the U.S. Congress enacted the Venezuela Defense of Human Rights and Civil Society Act of 2014.<sup>4</sup> Among its provisions, the law required the U.S. president to impose sanctions on Venezuelan individuals identified as responsible for significant acts of violence, serious human rights abuses or antidemocratic actions. U.S. sanctions followed shortly thereafter, although those sanctions never

expanded to comprise complete embargoes akin to those sanctions targeting Cuba and Iran. Rather, they have been directed at the government of Venezuela, certain sectors of the Venezuelan economy, and several named individuals and entities. Specifically, to implement the Venezuela Defense of Human Rights and Civil Society Act:

- E.O. 13692, signed by President Barack Obama in March 2015, authorized OFAC to impose sanctions against individuals and entities determined to be involved in undermining democratic processes, human rights abuses and public corruption. Approximately 150 individuals and entities would eventually be sanctioned under this executive order.
- E.O. 13808, signed by President Donald Trump in August 2017, began restrictions on U.S. persons doing business with PDVSA.
- E.O. 13827 and E.O. 13835, signed by President Trump in March and May 2018 respectively, prohibited access to U.S. financial markets, transactions involving digital currency issued by Venezuela, and transactions related to purchasing Venezuelan debt and debt owed to Venezuela as collateral.
- E.O. 13850, signed by President Trump in November 2018, led to action by OFAC in January 2019 to impose full blocking sanctions on PDVSA. This action froze PDVSA's assets in the United States and prohibited U.S. persons from most dealings involving the PDVSA and any entity owned 50 percent or more by PDVSA.
- E.O. 13884, signed by President Trump in August 2019, blocked all property of the government of Venezuela in or transiting the United States. The government of Venezuela is broadly defined to include government agencies, the Central Bank of Venezuela, PDVSA, any entities owned or controlled directly or indirectly by the government and anyone acting on behalf of the government, including members of the Maduro regime. As a result, with the exception of certain limited licensed or authorized activities, U.S. persons generally were prohibited from engaging in transactions or other dealings, either directly or indirectly, with Venezuelan government-related entities.<sup>5</sup>

## Recent Developments

But the winds have changed with the issuance of GL46. Generally, GL 46 permits the Government of Venezuela, PDVSA, or any entity in which PDVSA directly or indirectly owns a 50% or greater interest that ordinarily exports, re-exports, sells, supplies, stores, markets, purchases, delivers, or transports Venezuelan-origin oil, including the refinement of such oil, to transact with an established U.S. entity.<sup>6</sup>

Companies existing prior to Jan. 29, 2025 are now authorized to arrange Venezuelan-origin oil-related shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. They may also engage in commercially reasonable transactions, such as for swaps of crude oil, diluents, or other refined petroleum products. Companies transacting under GL46 must file reports with the Departments of State and Energy within ten days after the initial execution and every 90 days thereafter.

Contracts made under GL 46 must specify that U.S law governs the transaction as well as any dispute arising thereunder and any payment made to a blocked person is made to the Foreign

Government Deposit Funds, as specified in EO 14373.

Companies may not engage in debt swaps, gold payments, use digital currency, use blocked vessels, unblock any property currently sanctioned, or transact with any persons located or organized under the laws of certain comprehensively sanctioned countries (such as Cuba, Iran, North Korea, and Russia). There are separate restrictions applicable to persons from China. Practically, large capital investments would also be needed to expand the downstream refining of heavy crude of the type available from Venezuela. Notably, certain U.S. refineries are equipped to handle Venezuelan crude. While GL 46 has no expiration date, it may be revoked at any time.

The investment environment has somewhat brightened, not only for oil E&P companies and service providers, but also for U.S. individuals and entities looking to take advantage of opportunities in many other sectors of the Venezuelan economy, such as property and property management, banking and financial services, electric power, infrastructure and food distribution and logistics. Many of these areas may be of particular interest to Venezuelans who were forced or chose to leave the country during the past several decades.

Real estate prices, for example, are significantly depressed, and thus there exist situations where more risk-tolerant investors may be able to see rapid appreciation once stability and openness return to Venezuela. But this, of course, begs the question as to whether Venezuela is indeed about to reform and prosper or whether the current calm precedes new storms. In any event, as of now, investments into Venezuela, other than into certain special sectors (oil and gas, telecommunications, mining and social media) are governed by the Venezuelan Constitutional Law on Productive Foreign Investment adopted in 2017. This law submits all foreign investments to domestic jurisdiction and continues Venezuela's reluctance, discussed above, to be subject to the international foreign investment authority of ICSID. That said, after the removal of Maduro, Venezuelan leadership has begun to demonstrate a recognition of the need for changes in domestic laws to encourage foreign investment.

### Venezuelan Cooperation and Amendment of the Organic Hydrocarbons Law

On Jan. 15, 2026, Acting President Delcy Rodríguez formally submitted a bill proposing partial amendments to the Organic Hydrocarbons Law. Two weeks later, on Jan. 29, 2026, the Law of the Partial Reform of the Organic Hydrocarbons Law was published (the "Law").<sup>7</sup>

The Law amended 18 statutory articles and is structured around three principal areas of reform:

1. Incorporation of new business models, including production-sharing agreements, under which operating companies assume full management responsibility at their own risk and expense, with compensation determined as a percentage of audited production volumes.
2. Measures to ensure the economic viability of undeveloped "greenfield" areas, enabling investment and development in fields that have not yet entered production.
3. Enhanced legal protections for both foreign and domestic investors, including the use of independent dispute-resolution mechanisms, such as mediation and arbitration, consistent with the Venezuelan Constitution.

The Law loosens state control over the hydrocarbon sector to an extent not seen since before the Chavez administration. The Law contains a new royalty and tax framework, authorizes direct commercial marketing measures within certain parameters, grants a new contractual framework for companies transacting with Venezuela, and repeals several laws and regulations.<sup>8</sup> It would allow

private companies to independently operate their own oil fields, market the crude they extract, and contract with PDVSA to share the revenues.

In addition, on Jan. 20, 2026, the Venezuelan government announced that the acting president has submitted a bill to Congress for a new mining and minerals law. According to the government's communication, this legislation is designed to enable the attraction of significant flows of international investment into the sector. The bill aims to expand production of gold, iron, bauxite and other minerals, with the stated objective of supporting national development and increasing the country's generation of foreign currency revenues. Nevertheless, at least for the time being, the mining sector, including state-owned mining company Minerven, remains subject to U.S. sanctions.

The situation is clearly fluid. On the one hand, the changing U.S. sanctions regime and the political volatility of Venezuela require caution when considering investment in the oil-rich nation. On the other hand, the enormous upside potential in the event of stabilization—across all economic sectors of Venezuela—including, in addition to oil and gas, infrastructure, property and property management, banking and financial services, and food distribution and logistics, makes it a pivotal time for U.S. companies (as well as those from other jurisdictions) to carefully evaluate and assess their investment options in Venezuela.

[This alert was also published in Law360.](#)

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<sup>1</sup> See Fact Sheet: President Trump is Restoring Prosperity, Safety and Security for the United States and Venezuela, U.S. Dept. of Energy, Jan. 7, 2026, <https://www.energy.gov/articles/fact-sheet-president-trump-restoring-prosperity-safety-and-security-united-states-and>.

<sup>2</sup> The U.S. has also just issued GL 47, authorizing the sale of U.S.-origin diluents to Venezuela between companies and the Venezuelan entities identified in GL 46, subject to many of the same restrictions above. See General License 47, Authorizing the Sale of U.S-Origin Diluents to Venezuela, Dep't of Treasury, Office of Foreign Assets Control, 31 C.F.R. Part 591 (Feb 3.2026), <https://ofac.treasury.gov/media/934891/download?inlin>

<sup>3</sup> The outstanding uncollected damages from arbitral awards stemming from expropriation claims complicate the use of revenue from Venezuela's sale of oil today. See Exec. Order 14373, 91 Fed. Reg. 2045 (Jan. 9, 2026), "Safeguarding Venezuelan Oil Revenue for the Good of the American and Venezuelan People."

<sup>4</sup> P.L. 113-278; 50 U.S.C. §1701 note.

<sup>5</sup> In October 2023, after Maduro and the opposition signed an agreement that included a road map for holding competitive elections, OFAC responded and issued GL 43, which authorized transactions with state-owned gold mining company Minerven, and GL 44, which authorized transactions by any company involving the oil and gas sector for six months. In January 2024, OFAC revoked GL 43 with the issuance of GL 43A after Venezuela's supreme court upheld a ban on the candidacy of María Corina Machado (winner of the opposition primary). In April 2024, the Biden administration announced it would not renew GL 44, the oil sector license. Instead, OFAC issued a general license giving companies 45 days to wind down operations authorized by GL 44.

<sup>6</sup> See General License 46, *Authorizing Certain Activities Involving Venezuelan-Origin Oil*, Dep't of Treasury, Office of Foreign Assets Control, 31 C.F.R. Part 591, <https://ofac.treasury.gov/media/934886/download?inline>.

<sup>7</sup> See Special Official Gazette of the Bolivarian Republic of Venezuela No. 6,978 of January 29, 2026.

<sup>8</sup> But not the Gaseous Hydrocarbons Law.